

## Message Text

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63

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00 PA-03

RSC-01 USIA-15 PRS-01 SPC-03 COME-00 EB-11 LAB-06

SIL-01 DRC-01 /078 W

----- 078988

R 261526Z SEP 73

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 771

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

LIMITED OFFICIAL USE STOCKHOLM 3434

E.O.11652: N/A

TAGS: PINT ELAB SW

SUBJECT: PALME CALLS FOR GOVERNMENT/TRADE UNION EMPLOYMENT  
CONFERENCE

REF: STOCKHOLM 3360

1. SUMMARY: PRIMIN PALME CALLED FOR OCTOBER MEETING BETWEEN  
GOVT AND TRADE UNION LEADERS OVER QUESTION OF EMPLOYMENT.  
EMPLOYER ROLE NOT RPT NOT MENTIONED. PALME MAKING EXCEPTIONAL  
EFFORT TO CALM DISSATISFACTION RE GOVT EMPLOYMENT POLICIES AND  
ELECTION RESULT AS VOICED BY LO PRESIDENT GUNNAR NILSSON.  
MILSSON, IN THE MEANTIME, CONTINUES AS DOMINANT LABOR SPOKESMAN  
IN KEEPING PRESSURE ON GOVT FOR MEASURES TO INCREASE EMPLOYMENT  
AND FOR ADOPTION LABOR-SUPPORTED LEGISLATION RE WORK ENVIRONMENT,  
JOB SAFETY,EMPLOYMENT AND INCOME SECURITY. END SUMMARY.

2. PRIMIN PALME, IN FIRST OVERT REACTION TO PART PLAYED BY  
UNEMPLOYMENT ISSUE IN PARLIAMENTARY ELECTION AND IN RESPONSE  
TO LO PRESIDENT GUNNAR NILSSON'S DEMAND FOR REVITALIZED SAP-  
LO POLICIES, (REFTEL), CALLED SEPTEMBER 23 FOR OCTOBER TOP-  
LEVEL MEETING OF GOVT AND TRADE UNION OFFICIALS TO STUDY  
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EMPLOYMENT PROBLEMS. NO RPT NO ROLE FOR EMPLOYERS MENTIONED.

CALL ISSUED AT LO WOOD INDUSTRY WORKERS UNION CONGRESS AND EXTENDED TO LO, TCO AND SACO. GOAL SET AT 300,000 NEW JOBS DURING 1970'S.

3. PALME SPEECH ALSO CONTAINED MORE THAN USUAL AMOUNT OF MOLLIFYING PHRASES RE LO AND THANKS FOR LO ELECTORAL SUPPORT. NOTED THAT "LAME-DUCK" RIKSDAG HAS SEVERAL IMPORTANT LABOR BILLS INVOLVING WORK ENVIRONMENT, JOB SAFETY, AND EMPLOYMENT AND INCOME SECURITY BEFORE IT. PROMISED THAT PRESENT GOVT WOULD CONTINUE TO PRESS FOR ADOPTION OF THESE BILLS.

4. LO'S GUNNAR NILSSON FOLLOWED PALME TO PODIUM AND URGED ADOPTION BY RIKSDAG OF THESE BILLS. NILSSON DESCRIBED ELECTION AS BETWEEN EMPLOYER/CAPITAL INTEREST GROUP AND SOCIAL DEMOCRATS/WORKER'S INTEREST GROUP OVER THESE ISSUES. VOWED CONTINUED LO SUPPORT OF SOCDEMS. REPEATED THAT UNCERTAIN PARILAMENTARY PICTURE MAKES IT NECESSARY FOR LO AND SOCDEMS TO PREPARE UNITED FRONT FOR NEW ELECTIONS. AGAIN RULED OUT SOCDEM COALITION WITH BOURGEOIS PARTY AS BEING "DISHONEST AND CONTRARY TO WHAT SOCDEMS HAD FOUGHT FOR IN ELECTION."

5. NILSSON PAID RETURN VISIT TO CONGRESS SEPTEMBER 25 AND AGAIN REFERRED TO PARLIAMENTARY UNCERTAINTY AS REQUIRING PREPARATION FOR NEW ELECTIONS AND LEADING TO POSSIBILITY OF NATIONAL COLLECTIVE BARGAINING AGREEMENTS OF ONE OR TWO YEAR LENGTH INSTEAD OF MORE USUAL THREE YEARS. WHILE CONCEDED THAT UNEMPLOYMENT HAD BEEN MAJOR ELECTION ISSUE, NILSSON DESCRIBED ELECTORAL UNEMPLOYMENT DEBATE AS "SUPERFLOUS." CLAIMED THAT INSTEAD OF 300,000 JOBS AS INDICATED BY GOVT, 600,000 TO 700,000 NEW JOBS WILL BE NEEDED TO MEET GROWTH OF WORK FORCE AND REPLACEMENT OF REDUNDANCIES. PUBLIC SECTOR LOOKED TO AS MAJOR SOURCE OF NEW EMPLOYMENT, FINANCED BY EXPANDING PRODUCTION OF MANUFACTURED GOODS.

6. PALME MADE HIS REPEAT CONGRESS PERFORMANCE SEPTEMBER 26. AFTER LENGTHY EULOGY OF SALVATORE ALLENDE AND ALLENDE'S CHILE, PALME RETURNED TO BUSINESS OF STRENGTHENING SOCDEM-LO TIES. PRIMIN AGAIN SPKE OF GOVT INTENTION TO PUSH THROUGH LAME-DUCK RIKSDAG IMPORTANT LABOR BILLS. PLEDGED TO CONTINUE DRIVE IN NEW RIKSDAG FOR INCREASED WORKER INFLUENCE WITHIN ENTERPRISE. LIMITED OFFICIAL USE

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SAID THAT WORKER INFLUENCE IS MAJOR GOAL WHICH CAN ONLY BE REACHED BY WORKING TOGETHER OF SOCDEM PARTY AND LO ON BOTH POLITICAL AND TRADE UNION CAMPAIGNS. THROUGHOUT HIS SPEECH, PALME KEPT COMING BACK TO THE THEME OF SOCDEM/TRADE UNION TIES AND COOPERATION.

7. COMMENT: PALME'S TWO SPEECHES OBVIOUS EFFORTS TO DAMPEN TRADE UNION DISSATISFACTION AS VOICED BY MILSSON AND TO

STRENGTHEN SOCDEM-LO TIES FOR UNCERTAIN PERIOD AHEAD.  
HOWEVER, IN THE TEN DAYS SINCE THE ELECTION NILSSON HAS CALLED  
THE TUNE HE WANTS THE GOVT TO PLAY AND HAS CLEARLY SET FORTH  
THE POLITICAL BOUNDARIES WITHIN WHICH HE EXPECTS IT TO BE  
PLAYED. THUS FAR PRIMIN HAS ADOPTED A MOST CONCILIATORY POSITION.  
CASE IN POINT IS PALME CALL FOR OCTOBER MEETING EMPLOYMENT.  
ADVANCE TEXT OF PALME SEPTEMBER 23 SPEECH CALLED FOR CONFERENCE  
NEXT SPRING. HOWEVER, AS DELIVERED, WITH NILSSON IN AUDIENCE  
AND POSSIBLY CONSULTED BEFOREHAND, CALL WAS FOR NEXT MONTH.

DECONTROL OCTOBER 1, 1974.  
OLSEN

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